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FM THE SITUATION ROOM //TOHAK 19//

TO ADAMS/RODMAN FOR THE SECRETARY

UNCLAS VIA BLACK PATCH WH51876

TOHAK 19

PART ONE OF THREE

NEWS

KISSINGER CALLS U.N. SPECIAL SESSION CONCILIATORY

SECRETARY KISSINGER SAID IN A CBS INTERVIEW TUESDAY THAT THE SPECIAL SESSION OF THE U.N. GENERAL ASSEMBLY ENDED IN A CONCILIATORY ATMOSPHERE, "IN WHICH A GOOD PART OF OUR PROGRAM WAS ADOPTED IN PRINCIPLE, AND IN WHICH WE TOOK INTO ACCOUNT A NUMBER OF KEY CONCERNS OF THE DEVELOPING COUNTRIES."

ASKED IF HE FORESAW NEW COOPERATION IN THE ENERGY FIELD, KISSINGER REPLIED: "WELL, ONE SHOULD NEVER MAKE A PREDICTION WHICH CAN BE PROVED TRUE OR FALSE SO QUICKLY. WE HAVE STATED OUR VIEW ON OIL PRICES. WE WOULD THINK IT UNFORTUNATE IF THERE WERE AN INCREASE IN OIL PRICES UNDER THE PRESENT CONDITIONS. WHETHER OUR ADVICE WILL BE TAKEN IT REMAINS TO BE SEEN. IF IT ISN'T, WE WOULD CONSIDER IT A SETBACK, BUT OUR BASIC APPROACH WOULD BE CONTINUED."

REGARDING KOREA, KISSINGER SAID: "I'M NOT WORRIED ABOUT NEW TROUBLE IN KOREA, BUT THERE HAVE BEEN PROPOSALS BY THE OTHER SIDE THAT THE UNITED NATIONS COMMAND SHOULD BE TERMINATED. WE CAN UNDERSTAND THAT, 20 YEARS AFTER THE KOREAN WAR, THE U.N. INSTITUTIONS THAT WERE FORMED AT THAT TIME SHOULD BE TERMINATED. BUT WE ARE ALSO CONCERNED THAT THE ARMISTICE AGREEMENT, WHICH IS THE ONLY LEGAL BASIS ON WHICH PRESENT INSTITUTIONAL ARRANGEMENTS ARE FORMED, BE CONTINUED. SO WE HAVE AGREED TO END THE U.N. COMMAND, BUT RATHER THAN HAVE THE NORTH KOREANS AND CHINESE BELIEVE THAT ALL WE WANT TO DO IS CONTINUE THE STATUS QUA, WE HAVE OFFERED A CONFERENCE TO LOOK AT A CONTINUATION OF THE

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ARMISTICE AGREEMENT, BUT ALSO TO LOOK AT MEASURES TO END TENSIONS."

ON THE QUESTION OF THE SINAI AGREEMENT, KISSINGER SAID HE FEELS THE "RUSSIANS WON'T APPROVE OF THE AGREEMENT, BUT THEY WON'T THWART IT EITHER."

KISSINGER ALSO SAID THAT DISCUSSION OF THE POSSIBLE SALE OF PERSHING MISSILES TO ISRAEL HAS BEEN "BLOWN OUT OF ANY PROPORTION. THE PERSHING MISSILE WAS ON THE ISRAELI SHOPPING LIST THAT WAS SUBMITTED TO THE UNITED STATES LAST AUGUST. IT HAS BEEN BEFORE THE UNITED STATES SINCE LAST AUGUST. THERE'S ABSOLUTELY NOTHING NEW ABOUT IT. THE UNITED STATES HAS NOT AGREED TO SUPPLY IT. IT HAS AGREED AGAIN, AFTER THE REASSESSMENT, TO CONTINUE THE STUDY THAT WAS ALREADY GOING ON." --CBS MORNING NEWS (9/23/75)

HUSTON PLAN SAID TO BE INTELLIGENCE COMMUNITY'S BRAINCHILD

FORMER PRESIDENTIAL AIDE THOMAS CHARLES HUSTON TOLD THE SENATE INTELLIGENCE COMMITTEE TUESDAY THAT THE CONTROVERSIAL PLAN AUTHORIZING BREAK-INS, WIRETAPS, AND MAIL OPENINGS IN 1970 WAS THE BRAINCHILD OF THE INTELLIGENCE COMMUNITY, NOT THE NIXON WHITE HOUSE.

HUSTON ACKNOWLEDGED THAT THE PLAN GREW OUT OF A JUNE 1970 MEETING BETWEEN FORMER PRESIDENT NIXON, FORMER CIA DIRECTOR HELMS, FORMER FBI DIRECTOR HOOVER, AND THE HEADS OF THE DEFENSE INTELLIGENCE AGENCY AND THE NATIONAL SECURITY AGENCY. BUT HUSTON INSISTED THAT THE ONLY RECOMMENDATION MADE BY NIXON FOR IMPROVED INTELLIGENCE GATHERING WAS TO USE MILITARY INTELLIGENCE AGENTS TO MONITOR DOMESTIC DISSIDENTS.

IN HIS FIRST PUBLIC APPEARANCE EVER, HUSTON TOLD THE COMMITTEE (ON ABC FILM): "IN MY MIND, WHAT WE WERE TALKING ABOUT WAS SOMETHING THAT HAD BEEN DONE FOR 25 YEARS, THAT HAD BEEN DONE WITH THE KNOWLEDGE OF THE PROFESSIONAL INTELLIGENCE COMMUNITY, THE PEOPLE WHO'D BEEN HERE LONG BEFORE WE GOT IN TOWN, AND WILL BE HERE LONG AFTER WE LEFT TOWN."

ASKED WHAT HE WOULD HAVE DONE, WERE HE PRESIDENT, TO GET THE TRUTH, HUSTON REPLIED (ON ABC FILM): "I THINK THAT IF PRESIDENT NIXON HAD SAT MR. HELMS ACROSS HIS DESK, AND ASKED IF HE WAS OPENING ANY MAIL, THAT MR. HELMS WOULD HAVE SAID YES!" BUT HUSTON ADDED, "THAT WOULDN'T HAVE OCCURRED TO THE PRESIDENT, AND THAT'S THE WHOLE PROBLEM."

REACTING TO HUSTON'S TESTIMONY, CHAIRMAN FRANK CHURCH (D-IDAHO) SAID (ON ABC FILM): "THESE AGENCIES ARE FETTERED. IT'S NOT ONLY THAT THEY DON'T WANT THE PRESIDENT TO KNOW WHAT'S GOING ON, FOR FEAR THAT HE MIGHT SAY 'YOU SHOULDN'T DO IT' BUT

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THEY DON'T WANT ONE ANOTHER TO KNOW WHAT'S GOING ON."

"ALTHOUGH THE HUSTON PLAN WAS ONLY IN EFFECT FOR FIVE DAYS IN 1970, CHAIRMAN FRANK CHURCH NOTED THAT THE ILLEGAL ACTS STARTED YEARS BEFORE. WHEN THE HUSTON PLAN WAS REVERSED BY PRESIDENT NIXON, CHURCH SAID, THE INTELLIGENCE AGENCIES PAID NO HEED. THEY SECRETLY CONTINUED TO BREAK THE LAW," FORD ROWAN (NBC) REPORTED.

DAVID SHOUHACHEP (ABC) SAID HUSTON'S TESTIMONY RECALLED THE WARNINGS OF ONE COMMITTEE AIDE: "THE SENATORS, HE SAID, HAVE NEVER REALLY CONCENTRATED ON THE CIA'S ILLEGAL DOMESTIC OPERATIONS. IN HIS VIEW, THEY WERE DISTRACTED FROM THE FIRST BY THE ASSASSINATION ISSUE, AND HAVE NEVER NOTICED THAT IT WAS RESTING ON A SILVER PLATTER." --UPI/AP; NETWORKS (9/23/75)

GROMYKO CALLS FOR END TO ARMS RACE

SOVIET FOREIGN MINISTER ANDREI GROMYKO CALLED TUESDAY FOR AN END TO THE ARMS RACE, AND RENEWED THE SOVIET UNION'S LONG-STANDING PROPOSAL FOR A COMPLETE BAN ON NUCLEAR TESTS.

IN A SPEECH BEFORE THE U.N. GENERAL ASSEMBLY, GROMYKO SAID, "WE PROPOSE THAT STATES, AND FIRST OF ALL THE BIG POWERS, SHOULD CONCLUDE AN AGREEMENT WHOSE BASIS WOULD BE AN UNDERTAKING NOT TO DEVELOP OR MANUFACTURE NEW TYPES AND SYSTEMS OF SUCH WEAPONS, NOT TO ASSIST IN OR ENCOURAGE ANY ACTIVITIES IN THIS DIRECTION."

"OBSERVERS NOTED THAT, TO A SOVIET RIVAL LIKE CHINA, GROMYKO'S PLAN HAS A FLAW: IT WOULD KEEP LESS POWERFUL COUNTRIES FROM ACQUIRING NEW SUPER WEAPONS, BUT WOULD PERMIT THE SUPER POWERS, LIKE THE UNITED STATES AND THE SOVIETS THEMSELVES, TO RETAIN THE WEAPONS THEY NOW HAVE," HARRY REASONER (ABC) REPORTED. --AP, UPI, ABC, CBS (9/23/75)

REPORT U.S. OKAYS ARMS SALES TO ISRAEL
(BY JOSEPH FRIED, THE NEW YORK DAILY NEWS)

THE U.S. HAS APPROVED THE SUPPLY TO ISRAEL OF ABOUT 100 LANCE MISSILES, 25 F-15 FIGHTER-BOMBERS, LASER-GUIDED "SMART" BOMBS AND OTHER MILITARY EQUIPMENT INCLUDING NEW TANKS, RELIABLE SOURCES SAID TUESDAY.

SOURCES SAID THAT THE F-15'S WOULD ENABLE THE ISRAELI AIR FORCE TO COPE WITH MIG-23'S THAT THE SOVIET UNION HAS SENT TO EGYPT AND SYRIA. THE F-15'S AND THE LANCE SURFACE-TO-SURFACE MISSILE WILL BE ENTERING THE ISRAELI ARSENAL FOR THE FIRST TIME.

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THE FIRST OF THE F-15'S ARE EXPECTED TO BE DELIVERED BY THE END OF THIS YEAR, WITH THE PURCHASES OF CHEAPER F-16'S ANTICIPATED IN TWO TO THREE YEARS.

THE DEAL CONCLUDED BY PERES REPRESENTED THE FIRST BATCH OF AMERICAN WEAPONS SOUGHT BY ISRAEL. SOURCES SAID THAT A FINAL DECISION HAD NOT YET BEEN MADE BY THE U.S. ON PROVIDING ISRAEL WITH MEDIUM-RANGE PERSHING SURFACE-TO-SURFACE MISSILES. (9/23/75)

SAUDI ARABIA OPPOSES HUGE OPEC PRICE HIKES

ON THE EVE OF THE VIENNA OPEC MEETING, THE SAUDI ARABIAN OIL MINISTER, TUESDAY SAID HIS COUNTRY WOULD NOT ENDORSE ANY OIL PRICE INCREASES OF 10 PER CENT OR MORE. OPEC DECISIONS MUST BE UNANIMOUS, SO THE EXPECTED PRICE INCREASES MAY BE LIMITED TO \$1 PER BARREL OR LESS, CBS REPORTED. --CBS (9/23/75) 1252

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TQAK 19

PART TWO OF THREE

THE OPENING GAMBIT
(EDITORIAL, CONDENSED FROM THE N.Y. DAILY NEWS)

THE OPENING GAMBIT IN SECRETARY KISSINGER'S EFFORT TO PREVENT THE COMMUNIST BLOC AND ITS SO-CALLED NON-ALIGNED BUDDIES FROM TERMINATING THE U.N.'S ROLE IN KOREA WAS DELIVERED AT THE GENERAL ASSEMBLY ON MONDAY.

KISSINGER PROPOSED A FOUR-PARTY PARLEY ON THE KOREAN QUESTION, WITH THE U.S., RED CHINA, NORTH AND SOUTH KOREA AS THE CONFEREES. WHETHER NORTH KOREA WILL BITE AT THE BAIT IS DEBATABLE, BUT THE SUGGESTION AT LEAST PROVIDES US WITH A SOUND ARGUMENT FOR MAINTAINING THE STATUS QUA.

AT THE SAME, THE SECRETARY PLAINLY WARNED THE GENERAL ASSEMBLY THAT WE WOULD NOT ACCEPT ANY RESOLUTION WHICH JERKED THE U.N. RUG FROM UNDER SOUTH KOREA UNILATERALLY.

THAT IS AS IT SHOULD BE. IF THE U. N. IS OF A MIND TO END THE ONLY EFFECTIVE ACTION IT EVER TOOK TO THWART RED AGGRESSION, IT SHOULD ONLY MOVE ON THE BASIS OF A NEW ARRANGEMENT WITH SOLID GUARANTEES FOR SOUTH KOREA'S SECURITY. (9/23/75)

THE UNFINISHED WAR?
(EDITORIAL, CONDENSED FROM THE N.Y. POST)

IN HIS APPEARANCE ON CBS' FACE THE NATION YESTERDAY, DEFENSE SECRETARY SCHLESINGER WAS ASKED WHETHER "ON BALANCE" THE MASSIVE U.S. INVESTMENT IN THE VIETNAM WAR WAS "WORTH IT." HE REPLIED: "OF COURSE NOT, IN RETROSPECT."

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IN INITIALLY INVOKING THE VETO, THE U.S. OFFICIALLY TOOK THE VIEW THAT ITS STAND WAS A RETALIATORY ACTION AGAINST THE SOVIET UNION'S REPEATED OBSTRUCTION OF SOUTH KOREA'S BID FOR A PLACE IN THE WORLD PARLIAMENT. IN EFFECT WE APPEARED TO BE OFFERING A TRADEOFF AND THEREBY UPHOLDING THE PRINCIPLE OF "UNIVERSALITY," BUT THAT EXPLANATION HAS COMMANDED LITTLE CREDIBILITY.

THE IMPRESSION PREVAILS IN MANY PLACES THAT SECRETARY KISSINGER IS ENGAGED IN "PUNISHING" THE VIETNAMESE FOR THE INDIGNITIES HE SUFFERED AFTER HE HAD PREMATURELY ANNOUNCED "PEACE IS AT HAND."

IN THE LATEST ASSEMBLY VOTE, THE SCORE WAS 123 TO 0 IN FAVOR OF ASKING THE SECURITY COUNCIL TO RECONSIDER ITS REJECTION OF THE VIETNAMESE BIDS. WHILE THERE WERE A FEW ABSTENTION, NOT A SINGLE NATION WAS RECORDED NEGATIVELY. OUR MAJOR ALLIES CLEARLY HAVE NO ZEST FOR THIS COMBAT.

HOW LONG WILL KISSINGER'S OBSESSION WITH HIS FAILURES AND FRUSTRATIONS IN VIETNAM PERPETUATE A DEAD-END EXERCISE IN WHICH THE U.S. IS ISOLATING ITSELF BY BLACKBALLING ITS UNFORGIVEN ADVERSARIES? (9/23/75)

(EDITORIAL CONDENSED FROM THE WASHINGTON STAR)

WE HAVE EXPRESSED OUR MISGIVINGS IN THE PAST ABOUT THE
ROLE OF THE U.S. AS A MAJOR CONTRIBUTOR TO THE ARMS RACE IN
THE MIDDLE EAST. IN SUPPLYING NEW AND SOPHISTICATED WEAPONS
TO BOTH SIDES OF THE ARAB-ISRAELI CONFLICT, THE ADMINISTRATION
IS RUNNING A GRAVE RISK OF UPSETTING THE PRESENT RELATIVELY
STABLE MILITARY BALANCE BETWEEN ISRAELIS AND ARABS AND ESCALATING
THE DESTRUCTIVE POTENTIAL OF ANY FUTURE WAR.

THE DOUBTS APPLY TO THE PROPOSAL TO SELL PERSHING GROUND-TO-GROUND MISSILES TO ISRAEL. AND, TO A LESSER EXTENT, THE SALE OF HAWK MISSILES TO JORDAN.

IN THE CASE OF JORDAN, THE ISSUES ARE COMPLICATED. JORDAN'S KING HUSSEIN NEEDS AN EFFECTIVE DEFENSE AGAINST THE ISRAELI AIR FORCE, THE U.S. -- AND FOR THAT MATTER ISRAEL AS WELL -- HAS A STAKE IN HUSSEIN'S SURVIVAL AS ONE OF THE MOST MODERATE OF THE ARAB LEADERS.

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THE PROBLEM IS TO ENSURE THAT THE 14 MISSILE BATTERIES WILL BE USED FOR STRICTLY DEFENSIVE PURPOSES BY JORDAN. AFTER SOME INITIAL HESITATION, KING HUSSEIN APPEARS TO AGREE TO CONDITIONS WHEREBY HIS HAWKS WOULD BE CONFINED TO FIXED POSITIONS GUARDING JORDAN'S MAJOR POPULATION CENTERS. THE DEAL SHOULD GO THROUGH ONLY IF THESE CONDITIONS ARE CLEARLY UNDERSTOOD ON BOTH SIDES.

IN THE CASE OF ISRAEL, THE US HAS SPECIAL RESPONSIBILITIES. THE LATEST INTERIM AGREEMENT BETWEEN EGYPT AND ISRAEL IN THE SINAI INCLUDED SPECIFIC ASSURANCES THAT LONGSTANDING WEAPONS ORDERS WOULD RECEIVE SYMPATHETIC CONSIDERATION ONCE AN AGREEMENT WAS CONCLUDED.

WE CAN SYMPATHIZE WITH ISRAEL'S NEED FOR AN EFFECTIVE DETERRENT AGAINST SHORTER RANGE GROUND-TO-GROUND MISSILES ALREADY BEING SUPPLIED TO SYRIA AND EGYPT BY THE SOVIET UNION. BUT SURELY, AN UNENDING ESCALATION OF EVER MORE POWERFUL AND SOPHISTICATED WEAPONRY CONTRIBUTES NOTHING TO ISRAEL'S ESSENTIAL SECURITY. IN ANY EVENT, THE PERSHING'S THAT ISRAEL WANTS CANNOT BE DELIVERED FOR SEVERAL YEARS. BY THAT TIME, THERE IS REASON TO BELIEVE THAT ANY TECHNICAL ADVANTAGE WILL BE OVERCOME BY THE OTHER SIDE.

THE HARD FACT IS THAT, GIVEN THE GEOGRAPHICAL REALITIES OF THE MIDDLE EAST, EVERY TECHNOLOGICAL ADVANCE IN THE WEAPONRY ON BOTH SIDES WORKS TO ISRAEL'S DISADVANTAGE. SO FAR AS THE US IS CONCERNED, NEW WEAPONS SUPPLIED EITHER SIDE MUST BE AIMED AT CREATING AND MAINTAINING AN EQUILIBRIUM OF FORCE IN THE MIDDLE EAST ON WHICH A PEACEFUL SETTLEMENT OF THE LONG CONFLICT CAN ULTIMATELY BE BUILT. ANY OTHER APPROACH WOULD BE A DANGEROUS ILLUSION. -- (9/23/75)

ARMS AND THE MIDDLE EAST
(EDITORIAL CONDENSED FROM THE BALTIMORE SUN)

THE U.S. THROUGH SECRETARY KISSINGER'S PATIENT DIPLOMACY, IS MAKING A SUBSTANTIAL CONTRIBUTION TOWARD PEACE BETWEEN ISRAEL AND HER ARAB NEIGHBORS. THROUGH ITS AGGRESSIVE ARMS SALES, HOWEVER, THE U.S. IS MAKING A COMPARABLE CONTRIBUTION TOWARD THE RENEWAL OF WAR. FRANTIC ARMS RACES DESTABILIZE, CREATE INSECURITIES, DISTORT ECONOMIES, CANCELOUSLY ENLARGE THE MILITARY INFLUENCE, TRIGGER ACCIDENTS, STRENGTHEN THE WRONG HANDS, AND INDUCE LURCHES BY DREADED OPPONENTS.

THE U.S. HAS ENCOURAGED THIS KIND OF ARMING IN THE PERSIAN GULF AS A WAY OF RECYCLING PETRODOLLARS BACK TO THE INDUSTRIAL WEST. AS FAR AS TRADE FIGURES GO, THIS POLICY WORKS, WHAT IT

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THE PUBLIC DISPUTE WITH JORDAN OVER HAWK AIR DEFENSE MISSILES IS ANOTHER CASE. JORDAN WANTS TO DEFEND ITS TOWNS FROM ISRAELI PLANES. THE U.S. AND EVEN ISRAEL WANT JORDAN TO BUY ITS ARMS HERE. BUT JORDAN WANTS TOO MANY HAWKS, WHICH LETS ISRAEL FEAR THAT THESE MISSILES WOULD PROTECT INVADING SYRIAN TANKS. TO HEAD OFF CONGRESSIONAL REJECTION OF THE SALE, THE ADMINISTRATION IMPOSED CONDITIONS TO PREVENT THE MISUSE OF THE MISSILES. THE AMERICAN CONDITIONS WERE FOR HOME CONSUMPTION, AS WAS THE JORDANIAN REJECTION. UNLESS CONGRESS LIMITS THE SALE, JORDAN WILL GET TOO MANY HAWKS. IF CONGRESS BANS IT ENTIRELY, JORDAN WILL SHOP ELSEWHERE.

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TQHAK 19

PART THREE OF THREE

THERE IS NO INSTANT WAY TO HALT THIS MOMENTUM EFFECTIVELY. A HURTLING TRUCK NEEDS A STEADY AND CALM BREAKING ACTION. WHAT IN THE NAME OF REASON CAN BE DONE? AS THE EGYPTIAN-ISRAELI COEXISTENCE IS NURTURED, THESE TWO BELLIGERENTS SHOULD BE BROUGHT INTO ARMS LIMITATION DIALOGUE. THIS IS NOT FARFETCHED. IT FITS SECRETARY KISSINGER'S CALL AT THE US FOR MORE INITIATIVES. IF THE US AND SOVIET UNION CAN LIMIT ARMS, FOR MUTUAL PRESERVATION AND SANITY, SO CAN EGYPT AND ISRAEL. IT IS IN THEIR INTEREST, AS MUCH AS IS THE AVOIDANCE OF NEW FIGHTING. BOTH WANT DESPERATELY TO RESTORE THE HIGHEST NATIONAL PRIORITY TO CIVILIAN ECONOMIC DEVELOPMENT. ARMS RESTRAINT AS A LONGTERM POLICY IS IN EVERYONES'S INTEREST, INCLUDING AMERICANS. --(9/23/75)

THINKING ABOUT OIL PRICES
(EDITORIAL CONDENSED FROM THE WALL ST. JOURNAL)

WHEN THE MINISTERS OF THE 12 NATIONS IN THE OPEC OIL CARTEL MEET IN VIENNA TOMORROW TO CONTEMPLATE THE PRICE OF CRUDE, THE STRONGEST ARGUMENTS FOR CONTINUING A PRICE FREEZE WILL BE THE ECONOMIC ONES. THE STRONGEST ARGUMENTS FOR RAISING THE PRICE WILL BE THE POLITICAL ONES.

IN APPRAISING THE NEWS OUT OF VIENNA, THE MOST IMPORTANT THING TO REMEMBER IS THAT OPEC ANNOUNCEMENTS DO NOT IN THEMSELVES CHANGE THE PRICE OF OIL. PRICES WILL STILL BE DETERMINED BY THE INTERACTION BETWEEN SUPPLY AND DEMAND; ANY ANNOUNCEMENT FROM OPEC WILL STICK ONLY IF IT CURTAILS SUPPLIES BELOW THE AMOUNT DEMANDED AT THE CURRENT PRICES.

THE BIGGEST ECONOMIC PROBLEM FOR THE MINISTERS IS THE

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CONTINUING WEAK DEMAND FOR OPEC CRUDE, BECAUSE OF THIS DECLINE, PLUS THE EFFECTS OF INFLATION ON THE PRICES OF GOODS OPEC IMPORTS, THE OIL PRODUCERS HAVE SEEN THEIR REAL INCOMES DROP BY A THIRD IN THE LAST YEAR AND A HALF.

THERE ARE OPEC FANATICS WHO WANT TO TRY TO MAKE UP THIS GAP WITH A 35 PER CENT PRICE INCREASE. BUT THE NON-FANATICS MUST REALIZE THAT THE OPTIMUM PRICE FOR OIL MAY ACTUALLY BE LOWER THAN THE \$10.46 MARKET PRICE FOR ARAB LIGHT CRUDE. IT MAY HELP TO SEE THE OPEC DILEMMA AS BEING PRECISELY THE SAME THAT CONFRONTS AMERICAN CONSTRUCTION WORKERS, WHO CAN USE THEIR MONOPOLY POWER TO PUT WAGES UP, ONLY TO FIND MORE OF THEIR NUMBER UNEMPLOYED AND REAL INCOMES FOR CONSTRUCTION WORKERS AS A WHOLE DECLINING.

IF SO, AND IF HE IS SUCCESSFUL TO A LARGE DEGREE, PRESIDENT FORD'S HAND WILL BE CONSIDERABLY STRENGTHENED AGAINST THE FANATICS ON CAPITOL HILL WHO WANT TO REVIVE PRICE CONTROLS.

CONGRESSIONAL DEMOCRATS HAVE BEEN GLEEFULLY ANTICIPATING AN INCREASE IN GASOLINE AND FUEL PRICES THAT WOULD CAUSE CONSUMERS TO RAGE AGAINST THE WHITE HOUSE. ALL THAT'S HAPPENED IS THAT THREE OIL COMPANIES HAVE ANNOUNCED REDUCTIONS IN WHOLESALE PRICES.

THERE IS NO WAY TO PREDICT WHAT KIND OF ANNOUNCEMENTS MAY COME OUT OF VIENNA. OPEC HAS SWAGGERED ITS WAY INTO A BOX, AND PROBABLY WILL FEEL POLITICALLY COMPELLED TO ANNOUNCE SOME KIND OF PRICE INCREASE. WHETHER OR NOT THAT WILL MEAN AN INCREASE IN ACTUAL PRICES IS ANOTHER MATTER. WHEN IT BECOMES CLEAR THAT OPEC CANNOT INCREASE THE PRICE OF OIL TOTALLY WITHOUT RESTRAINT, PRICE CONTROLS IN THE U.S. WILL LOSE MUCH OF THEIR POLITICAL APPEAL. MAYBE THEN EVEN CONGRESS WILL BE ABLE TO RECOGNIZE THAT U.S. ECONOMIC INTERESTS ARE SERVED BY DECONTROL. (9/23/75)

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